



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and editors
Re: collapse of trade negotiations in Cancun
Da: Sunday, Sept. 14, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over international trade, made the following comment on the collapse of trade negotiations in Cancun:

“I’m extremely disappointed by this development. The Cancun Ministerial was an historic opportunity to advance the cause of free trade and open markets. Unfortunately, some participants seemed to be more satisfied with hollow rhetoric than real negotiation. As we can see, the WTO process can’t subsist on hollow rhetoric.

“I stand behind the decision of Ambassador Zoellick to remain firm in his pursuit of broad market liberalization on all fronts. Under Ambassador Zoellick’s guidance, the United States demonstrated real leadership, both prior to and throughout these negotiations. First, in resolving the question of TRIPS and public health, which will give impoverished developing countries access to life-saving medicines. Then, in seeking to establish a framework agreement with the European Union on agriculture that helped spark deeper discussions on concrete objectives for Cancun. Finally, in seeking to find constructive ways in Cancun to bridge the artificial divides that some nations were intent on creating. At every stage of the process, the United States has been ready, willing, and able to negotiate. I wish I could say the same of some of the other WTO members.

“Let me be clear. I’ll use my position as chairman of the Senate Finance Committee, which has jurisdiction over international trade policy in the U.S. Senate, to carefully scrutinize the positions taken by many WTO members during this ministerial. The United States evaluates potential partners for free trade agreements on an ongoing basis. I’ll take note of those nations that played a constructive role in Cancun, and those nations that didn’t.

“This is a sad day for the global economy, for developed and developing countries alike. This is an especially sad day for the least-developed countries, which have the most to gain from the Doha Development Agenda. By insisting on rigid positions, a few nations have put prospects for world economic growth and development on indefinite hold. Their intransigence has squandered an opportunity to raise millions of people out of poverty and improve the lot of farmers, ranchers, workers, and consumers around the world.

“It’s not at all clear when our negotiators will have an opportunity like this again. It’s important to remember that these negotiations took place at a unique time in U.S. economic history. Last year, with the passage of the Trade Act of 2002, the U.S. Congress authorized President Bush to negotiate a trade agreement under the auspices of the World Trade Organization. But, this

authority is set to expire in June 2005. While this authority can be extended, it is by no means certain that the U.S. Congress will agree to do so. And without TPA, our authority to move trade liberalization forward will be severely hampered.

“As a result of the collapse in Cancun, President Bush and the Administration will have to press on other fronts while TPA authority remains available. Fortunately, the United States has a lot of options. We will continue to pursue broad market liberalization on all fronts, bilateral, plurilateral, and multilateral. We stand ready to pursue increased economic growth and development with all who are prepared to join us.”